

PRESS RELEASE

TOWN OF AMHERST

Amherst Signs Pre-Option Agreement For Professional Research Park

January 28, 2010
1:00 PM

Questions About Press Release May Be Answered by:

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On Tuesday, January 26, 2010, Laurence Shaffer, Town Manager, Town of Amherst executed a Pre-Option Agreement with Bruce Patterson, Trustee of the Patterson Nominee Trust. The subject of the Pre-Option Agreement is approximately 59.635 acres of land located in North Amherst, zoned Professional Research Park. The Town of Amherst proposes that it control the subject property in order to study, define and attract a development of size to the site. The purpose of the Pre-Option Agreement is to define the terms upon which a subsequent option agreement and a lease/purchase may be completed for the subject property. With the goal of developing additional tax base for Amherst, the objective of the Town is to gain control of the property under agreed upon terms for the conveyance of the subject parcels. The Pre-Option Agreement calls for the following activities:

1. The Town Manager shall seek Town Meeting approval to enter into an Option Agreement
2. The cost of the Pre-Option Agreement is one (\$1.00) dollar.
3. The term of the Pre-Option Agreement is until on or before September 1, 2010 to enter into the Option Agreement.
4. Option execution and payment requirements identified in the Pre-Option.

The Option Agreement, if Town Meeting authorizes, may be entered into by the Town under the following conditions:

1. Option Price Per Year – Forty (\$40,000.) Thousand Dollars per year
2. Town has the right upon an annual anniversary to extend the Option for an additional year for an additional Forty (\$40,000.) Thousand Dollars per year. Two one year extension options are allowed to the Town.
3. The Town has the right to conduct all studies during the option and to market the property.
4. Owner shall cooperate with "Priority Development Site" status.

The Ground Lease, if the Option Agreement is executed, contains the following provisions:

1. The term shall be twenty five (25) years with seven (7) extension terms of ten (10) years each.

2. Base rent is \$415,000.00 per year with a Consumer Price Index (CPI) escalator with an annual increase not to exceed two (2%) percent. Rent increases should buildings on site exceed 500,000 square feet.
3. Lease transferable without undue limitation of by owner.
4. Option to purchase property after the first twenty five years for \$5,000,000.00

Laurence Shaffer said, "I look forward to explaining and advocating for this exciting project. This proposal allows the town to take action in order to grow the tax base of the community."

Town of Amherst – Town Meeting 2010
Article 16

Overview and Goals for the Development of the Patterson Property in North Amherst
Laurence Shaffer, Town Manager
March 3, 2010
Revised on April 22, 2010

Allow this paper to serve as an overview and goal statement for the proposal to develop property presently owned by the Patterson Family Trust in North Amherst.

On January 26, 2010, the Town Manager executed a Pre-Option Agreement with Bruce Patterson, Trustee of the Patterson Nominee Trust. The Pre-Option Agreement defines the procedures and costs for the conveyance of three parcels of 59.635 acres of undeveloped land, located on the Sunderland Road, in North Amherst. This property, zoned Professional Research Park, contains open fields, two farm ponds and an estimated 31 acres of wetlands. The open fields are cut once a year and have not been used for any farming in the last decade or more.

Why is the Town of Amherst involved in this project?

Without the Town affirmatively taking a lead in this project, the prospect for the development of the Patterson property is remote. Town Meeting approval signals to all of the potential major partners, the University of Massachusetts Amherst, the Commonwealth of Massachusetts, and private entities that Amherst is serious about securing appropriate development. If the Town of Amherst is to continue to provide the public services that the citizens presently enjoy, then the need to create, motivate or stimulate economic development that generates new, taxable assessed value from real growth is needed. New, taxable assessed value is defined as increases in the total taxable assessed value of Amherst from new development. New, taxable assessed value expands upon the tax base from new growth. It is defined in comparison to growth in the tax base that result in changes in the marketplace that create new growth through taxable assessed value equalization changes but produces no new taxpayers. Equalized taxable assessed value growth simple reapportions tax liability without creating new taxable base or new taxpayers.

The Patterson property has been zoned Professional Research Park for decades. However, no private concerns have been successful in penetrating the many levels of approval needed to create a significant project. The Town of Amherst is in a unique position to bring organizational and grant procurement resources to fund the critical infrastructure needs of this project and to facilitate the recruitment and location of a major private concern to the site. At a minimum, the site would require millions in infrastructure investment to accommodate water, sewer and road improvements to support a major development. However, without knowing the needs of the end user of the site, it is impossible to predict the costs of infrastructure. Infrastructure would be defined by the needs of development. Also, grants are available through the Commonwealth for infrastructure development. Those grants would be aggressively sought to offset the cost of infrastructure.

What is the goal of the Patterson Project?

The goal of the Patterson Project is to increase the total taxable assessed value by approximately five (5%) percent or 100,000,000. With the recent history of expanding the total taxable assessed value of approximately 2,000,000,000, the town presently expands its tax base from real growth by approximately one to one and half (1%-1 ½%) percent per year. That rate of expansion does not keep pace with the growth in the cost of providing public services per year of approximately five and one half (5 ½%) percent. Therefore, the difference needs to be either funded by the taxpayer or a reduction in the cost of services or type of services needs to occur or additional alternative revenue needs to be found or some combination thereof needs to be achieved.

A 100,000,000 total taxable assessed value is achievable by placing a 500,000 square feet taxable facility on the Patterson property with a cost to construct estimated to be \$200.00 per square foot. Such a building would accommodate a large regional professional office of architects, engineers or other professional services. A large research and development firm focused upon alternative energy initiatives, polymers or other specialties or areas of expertise found at the University of Massachusetts Amherst. A taxable property assessment of 100,000,000 would yield more than \$1,600,000.00 in property tax per year.

What is the Town of Amherst's strategy for achieving such a large goal?

The Town of Amherst strategy is to secure the property, through an option agreement, for a three (3) year period with an agreed upon set of terms for the conveyance of the property to a private concern. With the terms of transfer fixed, the Town can then proceed to recruit appropriate entities to the site, utilizing both its own good offices and the assistance of organizations such as Western Massachusetts Economic Development Council and the Commonwealth of Massachusetts. The Town can also plan, design and seek funding from grants for the public infrastructure needed to achieve the project's goals. Jonathan Tucker, Town Planner for Amherst has been assigned the task of expediting this project through the various regulatory and proprietary challenges that might delay or prevent this project from proceeding. The option agreement calls for an annual option payment of \$40,000.00 with an option for the Town to continue for each year beyond year one.

Is there risk for the Town of Amherst?

Before any arrangement to assign the option or to execute the lease or to complete a development agreement with an end user, the full agreement must be and will be brought back to Town Meeting for approval. At that time, all of the financial benefits and costs will be identified and explained. Town Meeting can then decide what action it wishes to take. Article 16 simply authorizes the option, not the transfer of the option or the commitment of any town funding to address the various costs that may be associated with the project. Town Meeting shall serve as a gatekeeper for this project. It can decide to initiate the project by approving Article 16. When an end user has been identified and an agreement tentatively reached, that full agreement must be brought back to Town Meeting for its consideration.

ARTICLE 16, PATTERSON OPTION



- Property Map**
- Property Lines
 - Property Line
 - Hydrographic Property
 - Right of Way Line
 - Town Boundary
 - Easements
- Topography**
- Elevations
 - Elevation Contours
 - Intermediate
 - Index
- Base Map**
- Trails
 - Rail Lines
 - Structures
 - Foundation or in canal
 - Outbuilding or Miscell
 - Deck, Porch, Stairs or
 - Mobile home, Trailer
 - Swimming Pool
 - Building Ruins
 - Water storage tank
 - Rivers and Streams
 - Streams
 - Major Culverts
 - Major Connector
 - Highways, Floodwalls
 - Water Bodies
 - Dams
 - Rivers, Ponds & Rese
 - Retention ponds/Floo
 - Wetland
 - Forested Wetland
 - Parking
 - Parking Paved
 - Parking Unpaved
- Streets**
- Local Roads
 - Major Roads
 - State Routes
 - MHD Roads
 - Limited Access Highw
 - Multi-lane Hwy, not I
 - Other Numbered High
 - Major Road, Collector
 - Minor Road, Arterial
- Bridges**
- Bridge decking and air
 - Foot Bridge
 - Rail Bridge

Horizontal Datum: MA Stateplane Coordinate System,
Zone 18S, Datum: NAD83, Feet
Vertical Datum: NAVD83, Feet

Planimetric & topographic basemap features compiled
at 1"=40' scale from April, 2009 Aerial Photography.
Parcels compiled to match the basemap;
revisions are ongoing.

The information depicted on this map is for planning
purposes only. It may not be adequate for legal boundary
definition, regulatory interpretation, or property conveyance
purposes. Utility structures and underground utility
locations are approximate and require field verification.

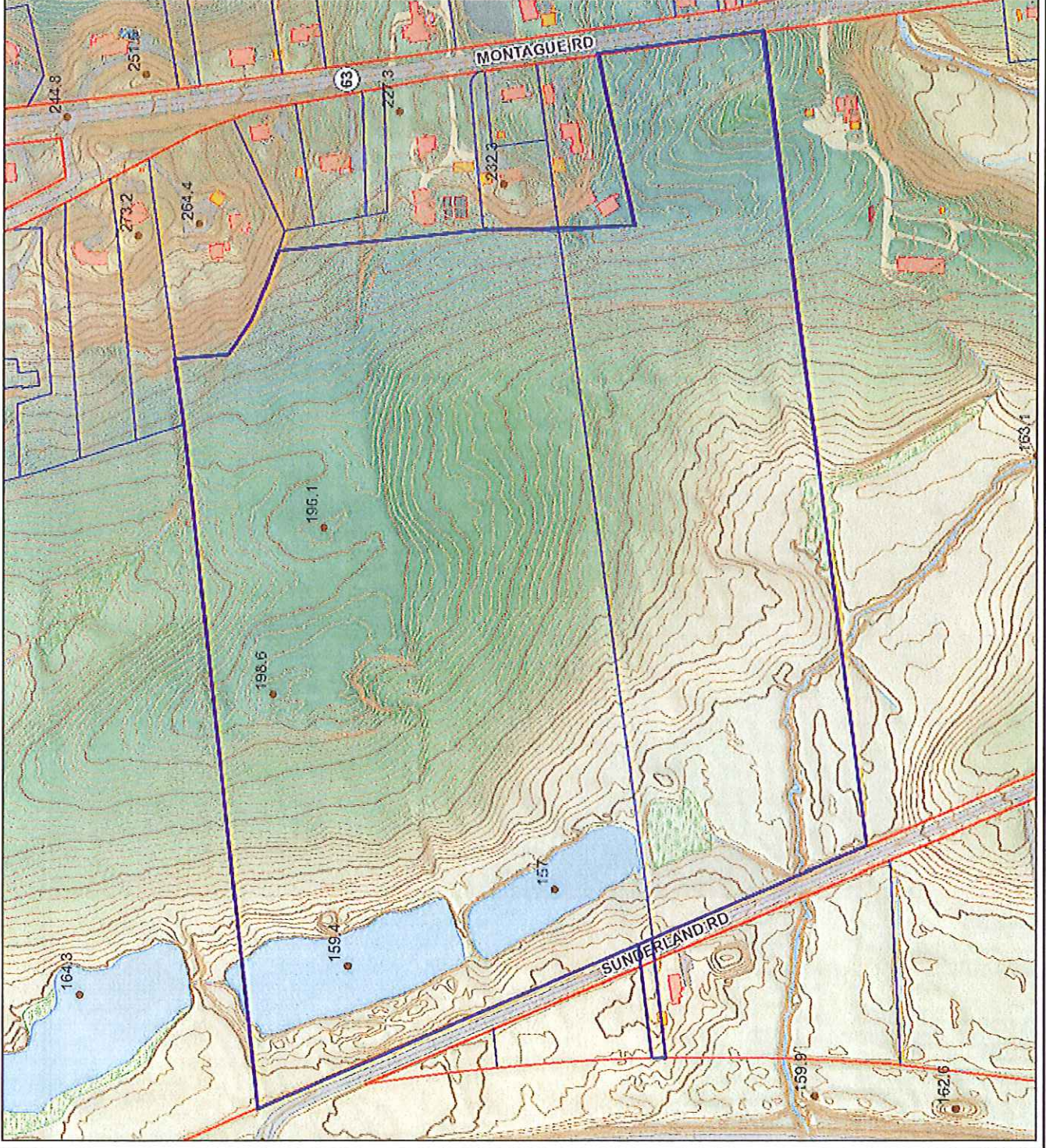
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1" = 320 ft

Amherst GIS Viewer

April 2, 2010





Horizontal Datum: MA Stateplane Coordinate System,
Zone 4151, Datum NAD83, Feet
Vertical Datum: NAVD88, Feet

Planimetric & topographic basemap features compiled
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Property M

- Aerial Property Lines
- Property Line
- Former Property Line
- Subdivision Lot Line
- Easements

Basemap

- Trails
- Streets
 - Local Roads
 - Major Roads
 - State Routes
- MHD Roads
 - Limited Access Highway
 - Multi-lane Hwy, not limited
 - Other Numbered Highway
 - Major Road, Collector
 - Minor Road, Arterial



1" = 500 ft

